



US edition

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Vocational training: pitfalls to avoid

Rapid technological change, ever-intensifying competition, large-scale re-organization: in the turbulence at the end of this century, the world of work and employment is like a tossing ship caught in crossed winds. For the captains of industry as well as the bosses of small enterprises, the direction to follow is not always sure, the landmarks unreliable, the margins of manoeuvre confined.

Under such circumstances, more than ever before there is need for vocational and professional training at all levels: by enterprises, which must have the most qualified workers available at short notice; by the workers themselves: who are aware that with inadequate or unadapted qualifications, they will be mercilessly eliminated in the race for jobs.

Everyone readily agrees with these facts. Governments, employers' and workers' organizations, human resource specialists, all have little trouble convincing public opinion of the need for increased efforts – including financial ones – for improved professional training.

Whether the issue is to prepare entrance into active economic life, to help workers whose enterprises are in difficulty, to recycle and reclassify older workers, to promote equal work opportunity for women – in all these cases training appears to be the real solution.

The problems begin when defining more precisely the type of training needed. What are its goals, its means, the degree of its effectiveness? Who should pay for it? How can it be assured that the training

benefits the person receiving it as well as the enterprise, the national economy and society as a whole?

The training required is simply that which meets the needs of enterprises and leads to employment for workers.

- With this in mind, four pitfalls are to be avoided, according to the preparatory studies and the conclusions of a European tripartite meeting* held recently at the ILO in Geneva.

- The first would be to rely exclusively on institutional systems: schools, training centers, general or specialized teaching establishments. Such exclusive reliance has never been strictly the case in any event, for on-the-job training and apprenticeships have always played the part of a "conveyor belt" of

knowledge, especially in the traditional trades.

The extension of mandatory schooling, however, and the growth of theoretical education have led, in certain countries, to

a near-total domination of institutional training for various forms of initial practical learning. Institutional training systems, it is alleged, maintain equality of opportunity and prepare students for professional life, without assuming a need for earning immediate return or subjecting the individual to the needs of industrial production.

Experience has shown, however, that whatever its effort to adapt to change and stick to practical matters, the formal institution is, by definition, unable to create the exact conditions of the daily world of work. In a society in which progress accelerates and needs change continually, formal training is always out of step with innovations and actual practical requirements.

- The second pitfall to avoid is the opposite: that of trusting only on-the-job or enterprise training, leaving to the educational system the task of providing basic training of a general nature.

The danger here is that workers might be restricted by a training which is too specific and narrow, useful only to the enterprise at a given time, but harmful to the interests of individuals and their professional mobility, and leading to eventual unemployment.

In the 18th century Adam Smith pointed out that as a result of the division of labor, workers had lost a great deal of specialized knowledge. Today, the bureaucratic organization of certain enterprises tends to reduce certain trades to simplified tasks modified to fit a particular situation. "Skills in a given context may have no value in another," one specialist has observed.

The same author adds: "Increases in unemployment, particularly in long-term unemployment, ought to warn enterprises and force them to question their own organizations and the manner in which they privately train workers in useless skills."

- The third pitfall is a variation of the second, more complex and perhaps more subtle: training, however broad and however complete, professionally speaking, is deficient if restricted to its technical aspect alone.

As the conclusions of the ILO meeting emphasize: "workers are now expected to

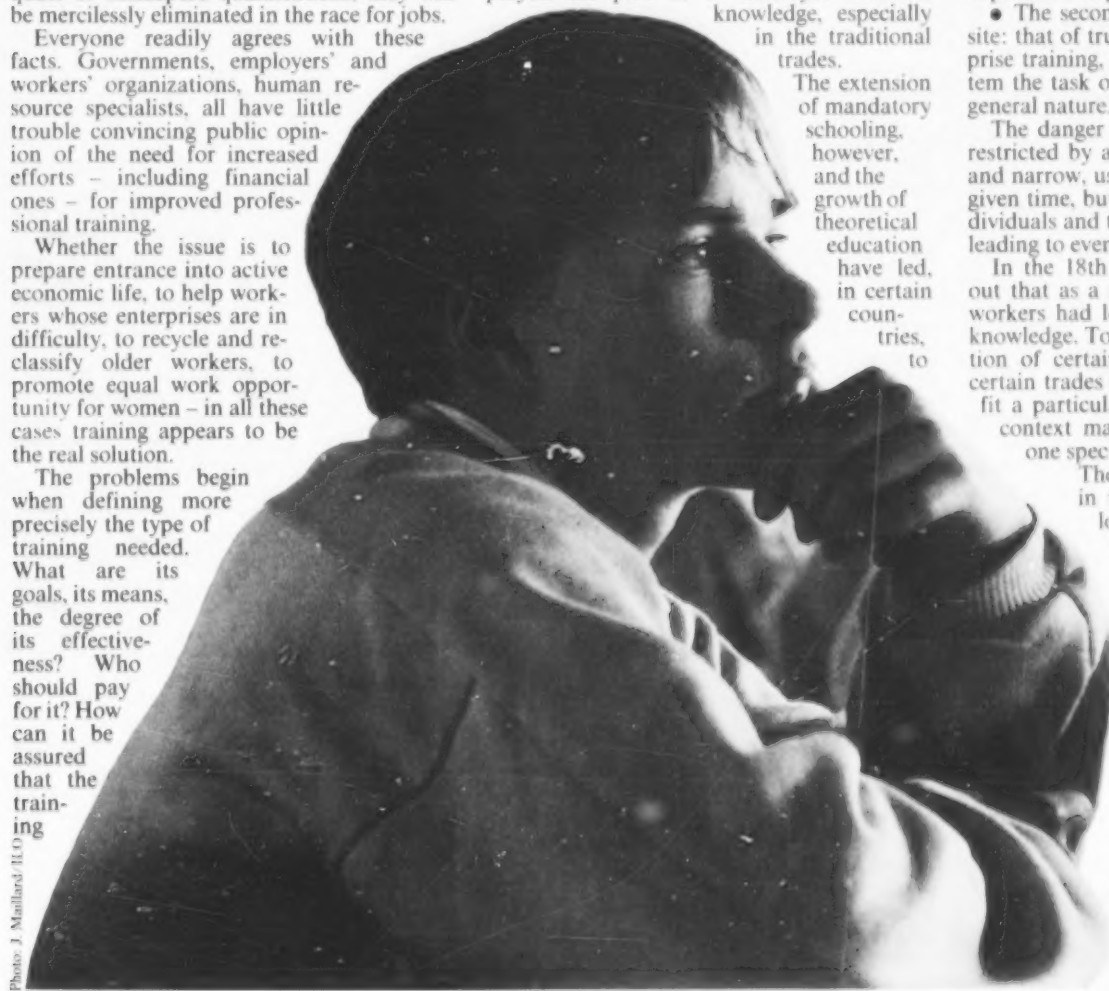


Photo: J. Maillard/ILO

To our readers

With this issue of August 1992 one cycle ends and another is due to begin.

For our next issue, in November, the present modest publication will be replaced by a new title: a 24-page magazine of slightly smaller size, each issue containing a special series on a current social problem and a varied selection of articles grouped in regularly appearing sections.

Why change a formula which has, according to the standard phrase, already proven itself? Because "the world and the times change." If the aims of the ILO remain the same, the context and methods behind its activities have greatly evolved. Particularly with the incredible expansion of the mass media, it is not so much a question today of providing information – with which the world is now saturated – as of putting it into perspective. In other words, of providing rigorous in-depth analyses and superior understanding of issues.

Such at least is the goal of the new magazine. Our readers – specialists in labor policies and administration, employers, trade unionists, university graduates, researchers, social scientists – are by definition well-informed people. We would hope, through confrontation of new approaches and ideas, complementary viewpoints and the dialogue of the social partners, to aid these readers in designing the features of the future they have all been called to build.

During the course of next year we will carry out a survey by questionnaire which will enable us to gather opinion and comment concerning the new magazine and also update our mailing lists.

With the help of all, readers and social partners within the ILO, we will face the challenge of change. Thank you most sincerely for your collaboration in the work ahead.

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Mexico prepares for employment and enterprise flexibility

A survey of over 7,000 industrial firms has been launched in Mexico to assess changes in employment, wages, technology and training in those enterprises attempting to adjust to the challenge of free trade and to the need to adopt more flexible labor and employment practices.

The particularly detailed survey is the largest of its kind ever carried out and builds on comparable enterprise labor flexibility surveys organized by the ILO's labor market research unit in Malaysia, India, the Philippines, Chile, Hungary, Russia and Bulgaria. The ILO team is collaborating with the Mexican Ministry of Labor and Social Security and the national statistical office, INEGI. The survey covers a representative sample from each of Mexico's 32 states and has been stratified to ensure coverage of the 54 manufacturing branches and both large and small enterprises. In all, as many as 300 collaborators will work on the project. A major report is planned for early 1993.

Mexican negotiations with the US and Canada on setting up a free trade area revealed the need to improve the competitive position of the country's industrial firms. The

survey examines aspects of labor productivity, the changing level and structure of employment, forms and changes in wages and benefits, training and retraining, the organization of work, the impact of technological change on employment, and the impact of management-labor relations on employment and productivity. The current situation of women workers is also covered.

The survey should begin to fill some important gaps in statistical information available to government policy makers and those concerned with industrial and labor market developments in Mexico, which has one of the most dynamic economies in Latin America. Some of the topics covered by the survey have received little or no attention in recent years. Systematic enquiries on wages and benefits in industry were discontinued in 1988, and a recent training survey was considered inadequate.

Mexico has been pursuing a structural adjustment strategy for some years, and the survey should indicate how enterprises have responded to it as well as reveal the type of labor and employment problems that have slowed down Mexican industrialization. ■

Vocational training: pitfalls to avoid

Continued from page 1

possess non-tangible and non-technical skills or qualities such as 'quality lifestyle,' capacity to adapt, independence, responsibility and communication skills ... they are also expected to acquire the ability to ask questions and learn how to learn, as qualification needs change continuously."

The report prepared for the meeting testified to the exceptional enterprise training programs in operation in companies such as Avionics in Europe, Corning Glass in the US, and Motorola, whose seven million dollar training budget has become an "educational" budget of some 120 million dollars, financing a veritable university and reaching out to more than 1,200 people throughout the world.

• The fourth pitfall is hidden precisely in the sizeable training efforts of large companies: complete, operational, company-wide training programs which are unavailable to employees of small enterprises and independent workers. It is the responsibility of the public authorities and the trade unions to identify and get around this particular problem.

Small and medium-sized enterprises rarely have the means to undertake research and

development and have very limited budgets for training. The ILO report notes that one way to overcome these obstacles is to bring training institutions and smaller enterprises together for collaboration.

Thus, for example, the Ecole Technique de Saint-Croix in Switzerland sells products and services to earn income to run its technical school. In the United Kingdom, more than 1,500 graduates work in the TCS (Teaching Company Scheme) as salaried associates in enterprises of all sizes, to which they bring their knowledge and from which they receive payment and professional experience. The Steinbeis Foundation in Germany is another example of a teaching institution promoting technical development in medium and small-scale enterprises.

"Effective solutions for training cannot be found exclusively in schools, nor in training institutions or firms," notes the conclusions of the ILO meeting. "The best prospects are offered by training and education programs that combine, often in new ways, training in schools, training institutions and enterprises."

The participants also pointed out that the specific training offered by enterprises is harmful to the interests of the individual worker and to the country, because it hinders workers' mobility and consequently their re-deployment. The conclusions emphasized "the essential role of workers' and employers' organizations," which is to "aid enterprises to find a balance between general and specific training." ■

* The impact of technological change on work and training ILO, Geneva, 1992. ISBN 92-2-108114-1.



One message, some key decisions

For the first time in its history the ILO has passed the level of 150 member States attending its annual conference: over 2,000 delegates from 151 countries participated in the discussions of the 79th Session of the International Labor Conference in June.

As Director-General Michel Hansenne pointed out, this record participation is eloquent testimony of the vitality and the universality of the ILO. It also results from events at the beginning of the 1990s, when so many people in the world are achieving national sovereignty.

The 79th Session was held against a background of great contrasts. With the growth of democracy the space for liberty in the world has also grown, and millions of people have new hope for a better way of life. But the risks of instability have also increased.

On the social level there is no lack of reasons for concern: multiple infringements of workers' rights, particularly freedom of association; the continuation – often the worsening – of unemployment and of poverty; inequalities between nations and within most nations; inadequate social protection; and the risk of marginalization of large segments of populations.

In the face of these concerns a key idea dominated the discussions: democracy, to which all people aspire and which numerous States are now achieving, has little chance of survival without social justice. Under these circumstances the principles of the ILO, above all tripartism, are clearly indispensable tools in strengthening the democratization process.

This, in résumé, is the message of the Conference.

More than the words, however, the delegates took important decisions again this year which will aid governments, employers and workers concretely to advance the cause of social justice.

The delegates to the 79th International Labor Conference

- adopted an International Labor Convention and Recommendation on the protection of workers' claims in the event of the insolvency of their employer;
- paved the way for the adoption next year of new standards on the prevention of industrial disasters;
- monitored the application of ILO standards in all parts of the world;
- reviewed ways of making fullest use of human resources in countries grappling with economic crisis and structural adjustment;
- elaborated resolutions on the role of enterprises in employment growth, employment policy as a component of overall development, and the rights of migrant workers;
- called for "all efforts required" to bring about the total eradication of apartheid and urged the maintenance of sanctions to speed up the process of change.

The Conference received the President of Zambia, Mr. Frederick Chiluba, as guest of honour, and also debated the situation of workers of the occupied Arab territories.

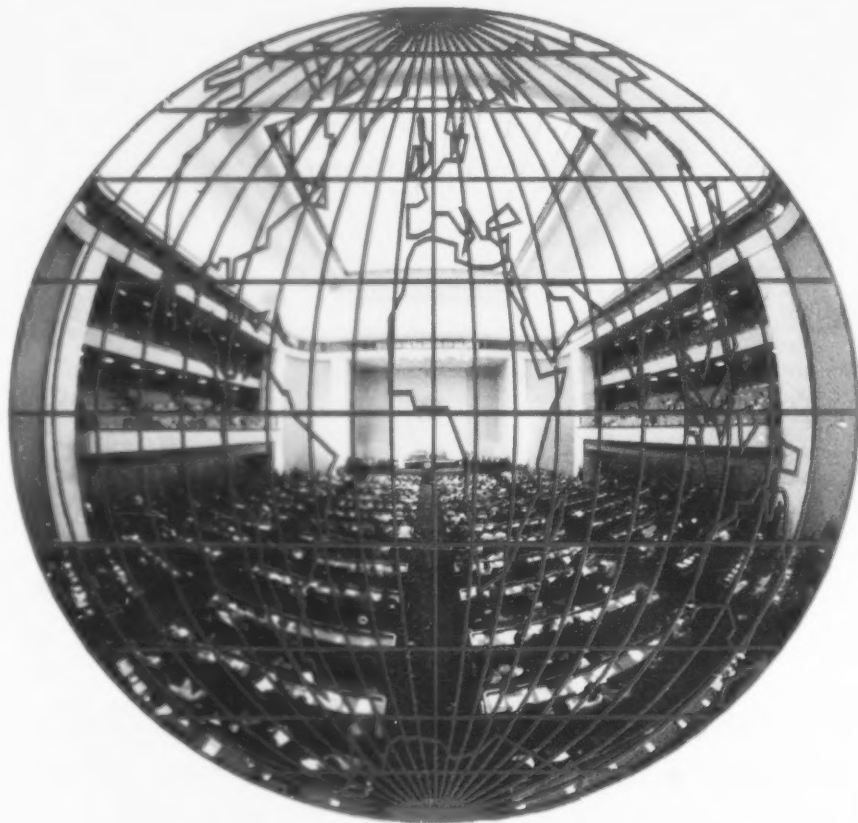


Photo: J. Mallard/ILO

Democracy, justice, solidarity

In a new era at once promising and full of uncertainties, the International Labor Organization must more than ever stand firm on the major principles of democracy, justice and solidarity that are its *raison d'être*, and be increasingly effective in its services to member States, said ILO Director-General Michel Hansenne in his reply to the discussions of his report "Democratization and the ILO."

"For democracy to have a real meaning, political freedoms must be accompanied by certain economic and social rights: freedom of enterprise and trade, freedom of association and of collective bargaining, the right to free choice of employment and to equality of opportunity and treatment and particularly the tripartite dialog which is the very foundation of our Organization. But nothing is given. There is a wide gap between proclaimed principles and the hard realities of the world of work," he stated.

The problem of respect for human rights was at the center of discussions. Numerous allusions were made to the increasing dangers caused by intolerance, xenophobia, and racial, ethnic, nationalist and religious conflicts. The ILO has an important role to play in this area, Mr. Hansenne pointed out, by strengthening "our protection and supervision of the application of standards, as well as our practical activities in helping member States and social partners set up programs and mechanisms to combat these scourges."

In addition, "democracy can hardly survive without a healthy economy which will make true social progress possible; it would be against all ILO principles and experience to advocate a return to wild capitalism," emphasized Mr. Hansenne, who also insisted on the necessity to help ILO member States to carry out restructuring and economic reform programs which incorporate social justice. Priority should be given to training and education, but also to investment and development policies and a legal framework which encourages the creation of enterprises and jobs and a properly-functioning employment market.

Social justice requires at the least that the State fix the rules of the market economy fairly and a legal framework for social relations and collective bargaining, in consultation with the social partners. "We must guarantee the growth of tripartism in our member States and promote greater international solidarity to tackle these problems." The Director-General also evoked the strengthening of dialog with the International Monetary Fund and the World Bank which, he said, now admit much more readily the need to consider social objectives and the social consequences of structural adjustment in developing their programs.

In a changing world, great hopes are placed in the ILO, and the principles it embodies remain a beacon to guide those responsible for social policy in member countries, the Director-General concluded.

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Mr. Henrique Nascimento Rodrigues, President of the Economic and Social Council of Portugal, here seated with ILO Director-General Michel Hansenne, was President of the 79th International Labor Conference. Vice-presidents were Mr. M.R. Solorzano Martinez (government, Guatemala), Mr. R. Decosterd (employer, Switzerland) and Mr. J.J. Mugalla (worker, Kenya).

New standards on t

The Conference adopted a Convention and Recommendation on the protection of workers' claims in the event of the insolvency of their employer. Since the last standards were adopted over 40 years ago, greater value has been placed on the rehabilitation of insolvent enterprises, the Convention states. Because of the social consequences of insolvency, efforts should be made where possible to rehabilitate the enterprise and safeguard employment.

The Convention is in two parts, one relating to the protection of workers' claims by privilege and the other to protection by a guarantee institution. Ratifying States are free to accept the obligations of either part or of both parts.

Protection by privilege will guarantee that workers' claims arising out of their employment be paid out of the assets of the insolvent employer before non-privileged creditors can be paid. Workers' claims will be given a higher rank of privilege than most other privileged claims and in particular those of the State and the social security system. Privilege will cover, at least, claims for wages and other types of paid absence for a prescribed period of not less than three months prior to the insolvency or the termination of employment. The privilege will also cover claims for holiday pay due for the year in which the insolvency occurred and in the previous year. Severance pay is also covered.

Protection by a guarantee institution will guarantee payment of these same claims and will cover periods of not less than eight weeks in the case of wages and not less than six months in the case of holiday pay.

Under both systems, claims may be limited to a prescribed amount, which would not be below a socially acceptable level.

Prevention of industrial disasters

The Conference adopted conclusions on this subject with a view to the adoption of a Convention and a Recommendation next year.

The proposed instruments should ensure that all appropriate measures are taken to prevent major accidents and minimize the risks of such accidents and their effects. Proper consideration should be given to the causes of such accidents including organizational errors, human factors, component failures, deviations from normal operational conditions, outside interference and natural forces.

The new standards would set out the responsibilities and duties of the competent authorities, the employers and the workers. They should lay the basis for the establishment of a coherent national policy concerning the protection of workers against the risk of major accidents, taking account of their effects on the public and the environment.

Employers should be required to identify any major hazard installation within their control on the basis of a national system drawn up in consultation with the most representative organizations of employers and workers and in accordance with national laws and international standards.

They should take sustained action for major hazard control including provisions for design, construction and systematic inspection of the installation; emergency plans and procedures; the provision of information on potential accidents and site emergency plans to authorities and bodies responsible for the protection of the public and environment; and consultation with workers and their representatives.

The workers and their representatives should be adequately informed of the hazards associated with the major hazard installation

and their likely consequences.

The proposed Convention would not apply to nuclear installations and plants processing radioactive substances except for facilities handling non-radioactive substances at these installations. Also excluded are military installations or transport outside the site of an installation other than by pipeline.

The proposed Recommendation should provide that the national policy be guided by the ILO Code of Practice on the Prevention of Major Industrial Accidents.

Agreement on universality o

The Conference affirmed its belief in the importance of international labor standards and the tripartite approach in finding practical solutions to problems: in industrialized countries experiencing the social consequences of economic stagnation, as well as in those undergoing transition to democracy and a market economy, and in developing countries where living and working standards were "so very hard to establish and maintain."

It noted a continuing trend toward convergence of thinking on the universality of standards and the necessity of maintaining and strengthening the effectiveness of the supervisory system.

Discussing implementation of standards by ILO member countries, on the basis of a report by an independent committee of experts, it found 50 cases, relating to 30 countries and 4 non-metropolitan territories, in which governments had changed the law

and practice over the past year following comments by the Conference. Many of these cases involved basic human rights.

Forty-seven governments provided information to and participated in discussions of the Conference concerning the discharge of their obligations arising from ILO standards or compliance with Conventions they have ratified. While noting progress in a number of countries in meeting the obligation to submit newly-adopted standards to their legislatures, the Conference regretted failure to submit by 10 countries.

Special attention was drawn to problems experienced by Sudan in applying Convention No. 29 on forced labor. The Conference expressed deep dissatisfaction at lack of progress, gaining the impression that "the Government confined itself to a simple denial of slavery existing in the country. Allegations of slavery could not be considered unfounded as long as the Govern



protection of workers' claims

Under the Recommendation, workers or their representatives should receive timely information and be consulted with regard to insolvency proceedings.

The Recommendation sets out in more detail the range of claims that might be covered by both systems, including overtime pay, bonuses, payments in lieu of notice and contributions due to social security.

Guarantee institutions, the Recommendation says, should operate independently of the employer, and employers should contribute to the financing of them unless this is fully covered by the public authorities.

The Convention was adopted by a vote of 293 for, 52 against and 48 abstentions, and the Recommendation by 280 for, 65 against, 42 abstentions. ■

Adjustment and human resources

Education and training are preconditions for achieving economic growth and for the success of structural adjustment programs; these themselves should be implemented on the basis of respect for democratic principles, human rights and social consensus. These are the two main conclusions of general discussion on the utilization of human resources.

Governments have the duty to ensure universal free access to basic education, and workers should be given opportunities for personal development, education and skill upgrading at appropriate stages in their working lives. Education and training systems should be responsive to changing labor market conditions, but training needs should be defined through a democratic process that took full account of the long-term goals of society, the development of national culture and the preferences of individuals.

Noting the often negative effects of adjustment programs on national skill endowments, the Conference stressed that education and

training were an essential element in a "virtuous circle" consisting of skill development, higher work motivation, higher productivity, adjustment of enterprises and workers to change, higher employment and increased incomes and well-being.

Comprehensive human resources development policies should be formulated by governments in consultation with the social partners, and in developing countries special training measures should be taken to help mitigate the social costs of adjustment.

Every effort should be made to ensure equitable and non-discriminatory access to training, the Conference stressed. Programs to eliminate discrimination against women in education, training and employment merited special attention as well as special programs for ethnic minorities, migrant workers, older workers, marginalized youth and disabled persons. For developing countries, extending education and training opportunities to large numbers of the poor is a major challenge. ■

Resolutions

- In a resolution concerning the role of enterprises in employment growth and the creation of full, productive and freely chosen employment, the Conference emphasized the main goal: to create self-sustaining new jobs. To this end it called on governments and employers' and workers' organizations to promote economic, industrial, and investment and employment policies – including an active labor market policy – that provide an environment in which "enterprises can develop and new small and medium-sized enterprises are established." Urging the full use of consultation between governments and the social partners, it called for the encouragement of constructive industrial relations systems, including collective bargaining systems where relevant, to facilitate the implementation of these policies. Particular attention should be devoted to assisting the most marginalized in society, such as women and rural workers, to find employment opportunities. The ILO was asked to help promote entrepreneurship and training, and organize exchanges of experience among countries.

- A resolution on employment promotion as an essential component of overall development urged governments and, when appropriate, employers' and workers' organizations to give priority to formulating and implementing "an active policy to promote full, productive and freely chosen employment." Noting with concern the decline in employment opportunities and the increase of unemployment in various regions, the resolution stressed the need to develop social, employment and training programs to help prepare the entry of young people into working life and to reintegrate the long-term unemployed and workers displaced by restructuring or reconversion. The ILO was asked to encourage countries to establish a framework for substantial employment growth, to advise on the means of achieving employment objectives, and to strengthen its training activities.

- In a third resolution, concerning the role of the ILO in the protection and promotion of the rights of migrant workers and their families, the Conference asked the ILO to provide adequate services, monitoring and technical co-operation on migrant issues, and to promote the dissemination of information on the rights of migrant workers and members of their families. The Conference also called on governments and, when appropriate, employers' and workers' organizations to take action to combat all acts of racism against migrant workers.

Standards

ment failed to report on the situation. The Government was urged to take steps to correct deficiencies and to consider requesting ILO assistance.

In a discussion on ILO standards on minimum wages, workers held the view that recent economic and social changes and adjustment processes made minimum wage fixing a strategic instrument in the struggle against poverty and for social justice. They appealed to member States to ratify the Conventions and asked governments to ensure they were implemented or effectively applied in practice. Employer delegates stressed that systems for fixing minimum wages were an emergency measure, "a second-class alternative in a world where free collective bargaining should dominate." In these conditions of free bargaining, they stated, the aims of the Conventions would become obsolete.



Extending training opportunities to the entire population is a major challenge for developing countries.

Photo: J. Mallard/ILO



Choosing co-existence and peace

It was "not as a Head of State at all, but as a fellow worker" that Mr. Frederick Chiluba, President of the Republic of Zambia, addressed the International Labor Conference on 9 June. Guest of honor at a conference in which he had participated for fifteen years as the workers' delegate of his country, Mr. Chiluba called on the social partners of the entire world to "enter a new era of tripartism, where co-operation, co-ordination and co-existence will be the norm."

In Zambia, "the initial tentative steps towards democracy are on the verge of becoming an avalanche"; at a time when an ever-increasing number of countries are moving toward multi-partism, the role of government as a pillar of the tripartite edifice is being increasingly restored, Mr. Chiluba stated.

He advocated a change in attitude towards the relationship between government, employers and workers, particularly on the continent of Africa. "I say this because, as a worker and leader of the working people, it seems as though trade unions in Africa have for too long been hypnotized to shout slogans about the fair distribution of wealth, while



Photo: J. Mallard/ILO

disregarding how that wealth must be produced. The list of fury, shaken by workers in anger at the employers in symbol and in essence remains empty unless wealth is created.

"The antagonism between worker and employer was not decreed by any law of nature," he continued. "Firm in my belief in

the opposite – that the one cannot live without the other – I appeal to you today, workers of the world, to embrace co-existence and peace. If not for yourselves, then for your children."

Mr. Chiluba made a similar appeal to employers, of whom too few, in his opinion, "give willing and voluntary attention to the social welfare of their workers, particularly in the developing countries."

"A fundamental realignment of attitudes between employers and workers is made necessary by the realization by employers that they cannot wish workers away. Just as there is no longer any place in the global scheme of things for communism, extreme capitalism has also had its day – it is gone."

For their part, "nobody is better placed or should be better motivated to create the facilities and enabling environments conducive to worker/employer co-operation than governments" because "greater co-operation raises economic efficiency and living standards."

The new government of Zambia, firmly determined to redress an "ominous and exceedingly dark" economic situation, unfortunately lacks the tools necessary for the construction of a new society. "Now we are scratching the soil with empty hands, finding succour only in our undiminished belief that we are doing the right thing," the President said.

"All our good intentions will be painfully ground to dust unless we receive help urgently," he concluded. "The ILO – cradle of ideals which triumphed in Zambia – is where we turn now for the tools to build a society unknown in Zambia for three decades." ■

Governing Body

A new Chairman



Ambassador Marcelo Vargas Campos (Mexico) was elected Chairman of the ILO Governing Body for a one-year mandate.

Mr. Jean-Jacques Oechslin (France) and Mrs. Shirley Carr (Canada) were re-elected employer and worker vice-chairpersons respectively.

A career diplomat for 25 years, Mr. Vargas Campos has represented Mexico at the Organization of American States and in other international organizations. As alternate permanent representative of his country in Geneva he has represented Mexico on the Governing Body since 1990.

In his speech on the occasion of his election, the new Chairman emphasized the role which the ILO must play to "design the social context of development on a world scale." Poverty, concentration of wealth, waste of resources and technological backwardness will not disappear of their own accord, he warned. If the ILO did not undertake to overcome these obstacles, they would be dealt with by other organizations which were oriented more toward economic than social issues.

Total eradication of apartheid

The Conference called on governments, employers' and workers' organizations and the ILO to make all efforts required to bring about the total eradication of apartheid in South Africa. It drew particular attention to the maintenance of sanctions to speed up the process of change, in line with the decisions of the United Nations.

Noting with concern that the negotiations on CODESA II had as yet failed to lead to an agreement on a new constitution for South Africa, the Conference urged the parties concerned to "make every effort to conclude such an agreement and to set up as soon as possible a non-racial democratic interim government." All ILO members should press the South African Government to enforce measures agreed upon to curb violence and ensure the immediate release of all remaining political prisoners.

The Conference urged the Organization to increase its support and assistance to neighboring and front-line States. It invited the ILO to respond to requests for technical assistance from the democratic and non-racial South African employers and workers in areas within the ILO's field of competence, on condition that this did not breach the policy of sanctions. As decided at a recent Tripartite Conference on Southern Africa in Harare, the ILO should now begin preparing projects for technical assistance to workers

and employers' organizations in South Africa, for implementation after the creation of an interim government.

Recognizing the vital role of education and training in the transition process towards a democratic South Africa, the Conference urged accelerated skills training and education for the black population, conducted in consultation with the democratic and non-racial employers' and workers' organizations; and called for the rapid desegregation of training and educational facilities. It emphasized the need for a comprehensive code of investment for South Africa to be negotiated by the parties concerned in that country.

Stressing that South African citizenship should be enjoyed by all the people of South Africa, the Conference urged the Government to accelerate the repeal of the Bantu Homelands Citizenship Act.

In addition, in a message to the Government of Malawi, the Conference expressed its grave concern at the detention of Chakufwa Chihana, Secretary-General of the Southern African Trade Union Coordinating Council, and the closure of SATUCC offices in Lilongwe, Malawi. "These are gross violations of fundamental human and trade union rights." The Conference demanded the immediate release of Chakufwa Chihana and that SATUCC offices be reopened. ■

Betting on the wrong technology



Photo: J. Maillard/ILO

Many companies in the developing countries in search of higher productivity and competitiveness are toying with the idea of introducing Computer Integrated Manufacturing (CIM). In simplest terms, this means controlling the entire manufacturing process and information flow by computer, all the way from the blueprint through manufacture to delivery.

But can such advanced production methods really improve the competitiveness of companies in the poorer countries or strengthen national development? Should CIM be widely adopted in the more disadvantaged countries of the Third World?

ILO industrial specialist Karl Ebel doubts the wisdom of introducing computer integrated production under the economic and social conditions obtaining in these countries. A poorly considered computerization of production methods is unlikely to work and could prove harmful to the developing countries concerned.

In a recent study* Ebel argues that even in the industrialized countries, CIM technology does not always spell success. Indeed, the disasters are at least as frequent as the spectacular gains in working time, product quality, productivity and diversification of goods available. His study comments: "With the exception of Japan and some newly industrialized countries there has even been a productivity slowdown, if one disregards advances in the electronics sector." CIM also involves companies in high development costs and financing problems which constitute risks that do not always pay off.

The cost of CIM technology is even greater for countries lacking capital than for industrial countries. If a newly industrialized country like Brazil tries to produce its own hardware and software for CIM applications, the results will cost three times more than they would on the world market. Users will not buy homemade products because they are too expensive. Domestic manufacturers charge high prices because limited production runs would otherwise result in inadequate profits.

The availability of financial resources is only part of the problem. There are many other prerequisites for the introduction of CIM. The introduction of new technology requires a long period of adaptation, for example. It may be anywhere from two to ten years before a system is fully operational. Also, highly skilled specialists must be available to operate the system. Very often computer programs and production requirements are simply not compatible. And, in addition, technical change takes place very rapidly, and systems are quickly out of date.

Despite these considerations there are those in favor of introducing CIM in developing countries. There is also considerable interest on the part of the recipient countries themselves, for various reasons. Less-developed countries are faced with a dilemma: either they are going to lose even more ground and fall further behind the industrialized countries, or they are going to have to try to compete in world markets for sophisticated products.

Under certain circumstances CIM tech-

nology can be usefully applied. But this is true only of certain countries and certain technologies. Newly developing countries such as India, Korea, Malaysia and Mexico are already using the more advanced components of CIM: that is, computerized numerical control (CNC) and computer-aided design (CAD). Within limits, these systems offset lower qualifications of employees. They have been on the market for over 40 years and are relatively easy to operate.

But these systems are designed and adapted to the enterprise on the spot, with the participation of the future operators at the worksite. "This is beyond the vast majority of enterprises in developing countries so far owing to their lack of expertise," the study points out, "and may only become possible in the long term."

Only in the more advanced of the developing countries, such as the Republic of Korea, has it been possible successfully to introduce CIM technology, at least to some extent. Computer-aided design systems are being used by about 15 per cent of the shipyards and some 21 per cent of the companies in the electronics industry.

Another tempting area for the application of CIM is in the military sphere. There may be spillover effects on civilian industry. But "such industrial policies pursued in the name of 'national technological security' rarely seem to be successful, as in the case of the former 'socialist' countries."

The study states further: "Another (unavowed) non-economic motive for using labor-saving CIM technologies may well be the wish to diminish union influence and power." It is true that CIM could help cut back on labor or lead to the workforce being spread more thinly over a large number of small production units, which would make trade union organization all the harder. Under such circumstances, CIM can be socially acceptable only where a certain trust and constructive attitude reign between employers and workers.

Karl Ebel emphasizes that "so far most CIM design is irrelevant or inapplicable to small and medium-sized enterprises." Most companies in the Third World are just that, "with a tenuous capital base serving local markets." They are neither financially nor technically prepared to launch into the adventure of advanced computer-aided manufacture.

Except for the few examples from threshold countries, CIM is really not suitable for solving the production problems of poor countries. They may, however, avail themselves of the organizing and production principles underlying CIM technology in order to avoid inefficient working methods. Before considering the introduction of this technology, governments will have to provide the necessary infrastructure and level of knowledge and education required.

The study concludes: "Developing countries will have to choose their own specific approach, depending on their factor endowment, their stage of development and their international trade links. Technological self-reliance and the potential for innovation can only be built up systematically, step by step. It would be wasteful and counterproductive to put the cart before the horse."

* Karl-H. Ebel, "Computer-integrated manufacturing (CIM): A new menace for developing countries." *International Labor Review*, Vol. 130, 1991, No. 5-6.

Still too little light amid the shadows

From the violent deaths of Latin American trade unionists to the political upheavals in Eastern Europe to explosions in Thai chemical plants – the 1992 ILO World Labor Report* from the International Labor Organization offers a challenging, often disturbing, survey of global employment issues.

The human rights chapter starts with a survey of freedom of association – the right of workers and employers to join the organizations of their choice. Here there is considerable progress to report. The retreat of the military in Latin America, the wave of multi-party democracy sweeping over Africa, and the collapse of the Communist Party in Eastern Europe and the former Soviet Union – all have opened up new opportunities for both workers and employers. But even democratic governments can only achieve so much, and the Report points out the risks that trade unionists still run in many countries – including Colombia, Brazil, El Salvador, the Philippines, China, Sudan, and in Israel's occupied territories.

Many groups of workers have to survive with no trade union protection at all. The most vulnerable is the vast army of child laborers. The Report paints a particularly grim picture of hundreds of millions of working children and proposes short-term measures to protect them and to eliminate the plague of child labor over the long term. The Report also presents the various forms of discrimination faced by women workers.

For each region of the world, the 1992 Report also surveys the latest position on employment – and unemployment. In the industrial market economies, unemployment has reached 7 per cent as the recession continues. In Eastern Europe, unemployment has started to rise as newly privatized enterprises shed excess labor; in the long term it could reach 15 to 20 per cent. In Africa the position is already grim with unemployment reaching 30 per cent for urban modern sector workers. Elsewhere there are greater grounds for optimism. Several Latin American countries may now have adjusted their economies sufficiently to embark on positive growth, and in East Asia the dynamic export-oriented economies continue to thrive.

Indeed some countries in East Asia are now short of labor, and, as the Report indicates, are drawing in thousands of overseas migrant workers. Japan now has 1.46 vacancies for every job seeker, and similar problems are surfacing in Hong Kong, the Republic of Korea, Singapore and Taiwan, China. This is partly because birth rates are dropping, but also because school-leavers avoid "dirty, dangerous and difficult" work in factories or construction sites. The governments of these countries are reluctant to fill the gaps with migrant workers. So thousands of workers come illegally from Pakistan, the Philippines, Bangladesh, and other neighbouring countries. According to the ILO World Labor Report, there are now 300,000 workers on the move each year in the

Pacific Rim, only half of them legal. Migration of workers will also be an increasingly significant issue in Western Europe, particularly workers from Eastern Europe and the

former Soviet Union. Up to 20 million people could decide to move, attracted by wages eight or ten times those they could receive at home. Germany is their favorite destination: millions of ethnic Germans in the former Soviet Union have the right to live and work in Germany.

Many workers will be tempted to migrate because Eastern Europe and the former Soviet Union may be unable to provide adequate unemployment benefits or other forms of social security. The 1992 World Labor Report assesses the current systems of social protection in those countries, arguing that success in protecting the vulnerable will probably determine how successfully they can move to market economies.

The 1992 Report also reviews the current state of labor relations in various regions. In the industrial market economies, it looks at trends in trade union membership and the steady shift in the balance of power towards employers. In Eastern Europe, it follows some of the rapid changes as new trade union structures emerge – Solidarity in Poland has now been joined by Podkrepa in Bulgaria, Fratia in Romania, and the new "workers' movements" in the former USSR. In developing countries, the Report points out that, although governments have traditionally dominated labor relations, they have relaxed their control in some countries – particularly in Africa and Latin America.

The Report also looks at significant recent developments in working conditions. In industrial countries it notes a trend towards more flexible working patterns – whether work-sharing schemes, flexi-time, averaging out hours or shortening the working week. Employers welcome flexibility as a way of responding to a more competitive and rapidly changing environment. But, as the Report points out, trade unions are worried about such developments, fearing an increase in strain on workers, as well as disruption of family and social life.



Photo: J. Mallard/ILO

Street jobs in Colombo (Sri Lanka): unemployment and underemployment create the streams of migrants which only continue to increase throughout the world.

* World Labor Report, 1992. ISBN 92-2-107110-3.

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